MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS
OF
AMERICAN INTERNATIONAL GROUP, INC.
Held September 16, 2008

A meeting of the Board of Directors of AMERICAN INTERNATIONAL GROUP, INC. was held on September 16, 2008 at 5:00 P.M. at 70 Pine Street, New York, New York 10022 pursuant to notice duly given to each of the members in accordance with the By-Laws. This meeting continued the meeting originally convened on September 14, 2008, which was first continued on September 15, 2008 before being continued on September 16.

Present:
Robert B. Willumstad, Chairman
Steven F. Bollenbach
Martin S. Feldstein
Fred H. Langhammer
George L. Miles, Jr.
Suzanne Nora Johnson
Morris W. Offit
James F. Orr III
Virginia M. Rometty
Michael H. Sutton
Edmund S.W. Tse

Also present were Steven J. Bensinger, Vice-Chairman Financial Services and Chief Financial Officer, Anastasia D. Kelly, Executive Vice President and General Counsel, Eric N. Litzky, Vice President – Corporate Governance and Special Counsel and Secretary to the Board of Directors, Richard I. Beattie, Michael D. Nathan and James G. Gamble of Simpson Thacher & Bartlett LLP outside counsel to the non-management directors, H. Rodgin Cohen and Michael M. Wiseman of Sullivan & Cromwell LLP outside counsel to AIG, Joseph Allerhand, Gary T. Holtzer and Stephen

Karotkin from Weil, Gotshal & Manges, LLP outside counsel to AIG and John Studzinski, Martin Alderson-Smith, Arthur Newman and Larry Nath of The Blackstone Group financial advisors to AIG. Kathleen E. Shannon, Senior Vice President, Secretary and Deputy General Counsel was present for the portions of the meeting held on September 14 and 15.

All of the members being present, the meeting proceeded.

The Chairman, Mr. Robert B. Willumstad, presided, and the Secretary, Ms. Kathleen E. Shannon, recorded the minutes of that portion of the meeting held on September 14 and September 15. Mr. Gamble recorded the minutes of the portion of the meeting held on September 16.

During the September 14 portion of the meeting, Mr. Willumstad brought the members up to date on the discussions over the weekend with respect to potential capital injections and other liquidity measures with private equity firms, sovereign wealth funds and other potential investors. He also reported that he had kept the Federal Reserve Bank of New York and the U.S. Treasury informed of these efforts, and that Blackstone Advisory Services LP had been engaged as an additional advisor to assist in developing alternatives, including an additional capital raise.

The September 15 portion of the meeting commenced with an update by Mr. Willumstad of that day's activities, including meetings with the Federal Reserve Bank of New York to discuss AIG's liquidity needs. He advised the members that the Federal Reserve Bank of New York had asked JP Morgan and Goldman Sachs to try to put together a consortium of banks to provide a secured liquidity facility of $50 billion to $75 billion to take the Corporation through this liquidity crisis. He indicated that the expectation is that the banks will ultimately be paid in some form of equity.

Mr. Willumstad next brought the Board up to date on recent collateral calls and reported that the Corporation's guaranteed commercial paper did not roll. He added that the securities lending program was also having trouble rolling the borrowings and that there had also been strong redemption demand in the United Kingdom on a money market fund product. Mr. Willumstad also indicated that he expected downgrades by the major rating agencies later in the day.

Mr. Wiseman described the meetings with the Federal Reserve Bank of New York the previous night, and indicated that it appears likely that the secured lending facility would be the only alternative to bankruptcy. Mr. Willumstad said that if a transaction is presented by the banks, it is expected to involve a substantial transfer of ownership of the Corporation. Board members raised various questions on the expected value of the Corporation to shareholders in a bankruptcy, the extent of the liquidity issues facing the Corporation, and the expected actions of the rating agencies. Mr. Willumstad asked the Blackstone representatives to be in a position to advise the directors on the bankruptcy option when the meeting resumed the following day. Mr. Bensinger said that the assumptions used in projecting the liquidity needs of the Corporation over the next several months would be discussed when the meeting resumed. In response to a director inquiry, Mr. Willumstad said that the statement of support made by the New York Governor was mostly political, but the New York regulators had been helpful in allowing securities to be moved up to the holding company to improve liquidity.

Mr. Willumstad said that Blackstone would be an independent advisor to the Corporation, and JPMorgan has been given permission to continue in its role as an advisor to the Corporation and at the same time to try to put together the banking consortium.

The meeting resumed on September 16 with an executive session attended by the members of the Board and Mr. Beattie. Mr. Beattie discussed with the Board various aspects of the $85 billion loan facility and the 80 percent equity interest in AIG proposed by the U.S. Department of Treasury and the Federal Reserve Bank of New York (the "Government Facility") to provide liquidity to AIG. Mr. Willumstad explained to the Board that the Secretary of the Treasury had informed him that as a condition to the

Government Facility, Mr. Willumstad would be replaced as Chief Executive Officer of the Corporation.

Thereafter, the additional participants listed above joined the meeting. The Chairman presided and Mr. Gamble, at the request of the Chairman, recorded the minutes of the meeting.

The Chairman explained that the purpose of the meeting was for the Board to consider the Government Facility.

Mr. Cohen then explained to the Board its fiduciary duties in respect to AIG's current circumstances. Mr. Cohen stated that based on discussions with AIG Management, the Corporation is currently insolvent because it is unable to pay its debts as they become due. Mr. Cohen then explained that in the current circumstances, absent approval of the Government Facility the only available alternative is filing for bankruptcy protection. Mr. Cohen stated that because the Corporation is insolvent, the Board's duties no longer run only to shareholders, but run both to shareholders and creditors, including employees. Mr. Cohen explained that Delaware law provides that when a company is insolvent the board satisfies its obligations to these various constituencies by exercising its business judgment to maximize the value of the enterprise.

Mr. Cohen informed the Board that there had been extensive negotiations over the weekend with private parties but that they had not produced a plan that would provide sufficient liquidity to AIG.

Mr. Cohen further explained that the Board has a duty of loyalty and a duty of care and that these duties are not changed as a result of AIG's financial situation. The Board satisfies those duties if it makes a decision that is free from self-interest and is a well-informed good faith judgment.

Mr. Cohen then explained that the legal standard that would be applied to the decision is the "business judgment rule", which has been highly developed and defined by the Delaware courts. A judgment that is made in good faith and can be ascribed to any rational business purpose satisfies the business judgment rule. Mr. Cohen continued that because a part of the Government Facility was expected to involve warrants or other instruments that would give the Federal Government an interest in AIG equal to 79.9 percent of its total equity, the transaction could be viewed to cause the Board to have special duties applicable when a company is put up for sale, generally referred to as Revlon duties. Mr. Cohen explained that Revlon duties require that the Board obtain the maximum available price for the company. Mr. Cohen stated that, while the issue is open to question, he believed the better view is that Revlon duties do not apply in this situation. However, he also stated that in the current circumstances, Revlon duties and the duty of a board to maximize enterprise value where the entity is insolvent are effectively the same.

There was then a lengthy discussion regarding the duties to creditors, shareholders and employees and how those duties could be balanced and met and further discussion to the effect that the only alternative to the Government Facility was for AIG to file backruptcy.

In response to questions from the Board, Mr. Cohen replied that the Board could accept either option if the Board believed in good faith that that option was in the best interests of the constituencies to whom the Board now owes its duties. Mr. Cohen continued that the Board should understand that bankruptcy in a financial institution is different than a bankruptcy in other types of companies. Financial institutions rely not on hard assets, but on retaining the best people and on the confidence of the markets and customers. Bankruptcy has a tendency to impact those aspects of a financial institution very negatively. Mr. Beattie added that the issue is clear under Delaware law: if the Board exercises its business judgment in an informed and careful manner and believes the decision is in the best interest of shareholders, creditors and employees the Board will satisfy its fiduciary duties.

Mr. Offit then stated that the Board needed to understand the effect a bankruptcy filing would have on the value of AIG's businesses.

The attendees from The Blackstone Group then distributed materials that they had prepared for the Board. A copy of these materials is attached as Exhibit A to these minutes. Mr. Alderson-Smith began the presentation by directing the Board's attention to Page 5 of the presentation. Mr. Alderson-Smith informed the Board that Blackstone had been working with AIG for some time regarding the strategic review of AIG's business and had gained significant knowledge of AIG's businesses. One set of the valuation figures provided in the presentation came from Goldman Sachs and JP Morgan who had been working with the U.S. Department of Treasury and the Federal Reserve Bank of New York to develop a private facility to provide liquidity to AIG. The other was developed by AIG Management during the discussions with the banks and other private financing sources over the preceding weekend. Blackstone stated that it had diligenced the figures as time permitted and was in broad agreement with the numbers. A lengthy discussion followed regarding the valuations, during which members of the Board asked numerous questions exploring the basis of the valuations. Mr. Alderson-Smith explained that the valuations represent going concern values prior to two forms of value erosion: (i) the fact that if you were to sell assets while in bankruptcy it is highly unlikely that AIG could obtain full value in the sales; and (ii) the fundamental businesses of AIG (insurance and other financial services) will likely erode significantly as a result of bankruptcy, which would shrink value because earnings (and therefore the P/E multiple) would likely shrink significantly. Mr. Alderson-Smith noted for the Board that Morgan Stanley, which was acting as financial advisor to the Federal Reserve, and the Federal Reserve have received the same analysis of value that the Board is reviewing.

Mr. Alderson-Smith then discussed page 6 of the presentation, which details the projections that Goldman Sachs and JP Morgan had made of AIG's liquidity needs, totaling $93 billion. In response to questioning from the Board members, Mr. Alderson-Smith explained that the liquidity needs listed for the CDS portfolio reflected a projected

75 percent write-down of those assets. He noted that when Merrill Lynch had recently sold its portfolio of CDS assets, it took a 78 percent write-down. However, Blackstone believes that the AIG portfolio is of higher quality than was the Merrill portfolio and Blackstone said that the independent analysis conducted by BlackRock supported Blackstone's view. Mr. Alderson-Smith noted, however, that $25 billion of the liquidity need relating to the CDS portfolio is not based solely on the quality of the portfolio but is contractually required upon the downgrade of AIG parent company by the rating agencies.

Mr. Langhammer asked what the value of the CDS portfolio would be if it were held to maturity. Mr. Alderson-Smith answered that it is impossible to know with any certainty, but that BlackRock estimated actual economic losses on the portfolio if held to maturity to be between $8 billion and, in a severe stress case, $25 billion.

There followed a lengthy discussion regarding how the liquidity needs were calculated, during which Board members probed Blackstone's assumptions and analysis and the Board discussed with its advisors the meaning of the value and liquidity analyses presented by BlackRock.

Mr. Newman then spoke regarding the likely effects of a bankruptcy filing on the business and the ability of AIG to operate in bankruptcy. He first stated that all of the values listed for AIG assets would go down in a bankruptcy situation. He also said there is no way to know what the adjustment factor would be even in good times, and in the current market the asset devaluation is even more unpredictable. Mr. Newman then stated that a key consideration is how regulators of the insurance companies would react to a filing by AIG parent. Mr. Newman expressed his view that if the regulators were to seize the insurance companies, the value of those entities to AIG parent would be drastically reduced, potentially to zero, almost immediately.

In response to questions from the Board, Mr. Newman reiterated that the devaluation would likely be significant and that the current market volatility makes it impossible to project an amount of that devaluation. However, the market volatility would surely exacerbate the devaluation rather than making it less severe. He then stated that a key component of bankruptcy would be obtaining a Debtor-in-Possession (DIP) loan to finance the business in bankruptcy. Mr. Newman said that AIG would need to look for at least $15 billion and that AIG, with Blackstone's assistance, had Citibank working during the day to determine if such a facility could be obtained. Citibank had not yet provided an answer, but Mr. Newman stated that it could be difficult to obtain such financing for a variety of reasons and that it would take time to put a DIP facility in place. Mr. Langhammer asked if sovereign wealth funds ever provided DIP financing. Mr. Newman responded that he was not aware of that ever occurring. Mr. Studzinski stated that two large sovereign wealth funds, CIC and GIC, were consulted over the weekend regarding potential equity investments and that both stated that they could not act for at least 5 to 10 business days. The attorneys who had been working with the Federal Reserve and Treasury agreed that the Federal Reserve would not offer a 5 to10 day liquidity window.

Mr. Feldstein then asked what would happen if AIG did not receive the funds immediately. Mr. Willumstad responded that AIG would be unable to meet its liquidity needs for the following day.

David Herzog, AIG Senior Vice President and Comptroller, then joined the meeting. Mr. Herzog explained AIG's immediate liquidity needs. He stated that AIG had used $10 billion to $11 billion through the securities lending program and was still approximately $4.5 billion short in that program. Mr. Herzog explained that the securities lending program resides in the operating insurance companies, which are state regulated. Mr. Herzog stated that he had been in contact with AIG's principal state regulators during the day. The regulators made clear that if AIG made use of insurance company assets to pay the securities lending liabilities without the permission of the regulators, the regulators would seize the insurance companies. Mr. Herzog then explained that because AIG did not have sufficient funds to pay the liabilities that would come due tomorrow, if AIG does not obtain a loan to provide funds for the next day, the securities lending program will go into default. Because the securities lending liabilities reside at the individual insurance company level, that would cause the insurance companies to be in default and the regulators would likely seize the insurance companies.

Mr. Herzog also noted that certain insurance subsidiaries had tens of billions of dollars of zero surrender penalty annuity contracts which could, in his judgment, be immediately surrendered if AIG sought bankruptcy - further eroding the value of the franchise.

Mr. Bensinger added that the New York Department of Insurance stated that it would seize the New York insurance companies if AIG went into bankruptcy. Mr. Herzog agreed and stated that, based on his discussions, other insurance commissioners would likely do the same.

Mr. Bollenbach asked what would happen in practical terms if the insurance companies were seized.

Mr. Herzog stated that it could vary from state to state. It is possible that the current management could remain in charge, but the state supervisor would be required to approve many decisions. This would make the insurer much harder to sell. In response to a question from Mr. Sutton, Mr. Herzog stated that seizure by the insurance regulators is effectively like an accelerated run-off, which is very negative for AIG and the insurance company. Mr. Feldstein asked if the seizure would be long-term or if the seizure would be lifted after AIG obtained the money to fund its liquidity needs. Mr. Herzog responded that once an insurer has been seized, it typically remains under supervision for a long period of time. Mr. Offit asked if it would be possible to retain value if somehow the insurers were to come out of supervision quickly. Mr. Herzog responded that he believes that the diminution in value begins almost immediately because the insurer loses its distribution channels.

There was a lengthy discussion by the Board of the pros and cons of the Government Facility and bankruptcy alternatives.

Mr. Herzog then explained that the cash needs for securities lending – which are in the regulated insurance companies and therefore not eliminated in a bankruptcy filing – for the remainder of the week were significant, and reviewed with the Board estimates of the amounts that would be required. Mr. Herzog continued that as an officer of AIG, he felt it necessary to tell the Board that in his view a bankruptcy filing would irreparably harm the value of AIG and its subsidiary insurance companies, which would harm all the constituencies to which the Board owes a duty, including the shareholders, creditors and employees.

There followed a discussion of the terms of the government transaction and the possibility of a bankruptcy filing. Mr. Sutton and others expressed the view that in a bankruptcy, there was a strong likelihood that the value of the enterprise would fall very quickly. Mr. Cohen noted that it is important for the Board to remember that it has a duty to creditors as well as equity holders in this circumstance. He explained that in a bankruptcy, equity holders would receive nothing unless all creditors were first paid in full. He also noted that in light of the discussion of the devaluation of the assets in bankruptcy there was a significant risk that creditors would not be paid in full in a bankruptcy, which is an important concern to the Board with AIG already insolvent. Mr. Bollenbach noted that under the Government Facility, the debt holders are subordinated to the secured loan made thereunder, which is very expensive debt.

Mr. Allerhand suggested that AIG ask the government for an opportunity to unwind the Government Facility if private funding could be found in a short period – two weeks to a month.

Mr. Offit then stated that he did not like the terms of the Government Facility, but that he was persuaded by Mr. Herzog's analysis of cash needs and the negative effect a bankruptcy would have on the value of the business that AIG had no alternative but to accept the Government Facility.

Mr. Bollenbach stated that he understood the argument, but he believed that the Government Facility proposal essentially gives AIG to the government, and he believes AIG should attempt to work out its problems in a bankruptcy.

Mr. Offit said that AIG, as a financial institution based on trust, cannot survive in bankruptcy.

Mr. Beattie reported to the Board that Hank Greenberg had earlier that day communicated by letter with Mr. Willumstad and with Mr. Beattie. Two letters from Mr. Greenberg were delivered to the directors during the meeting, copies of which are attached as Exhibits B and C to these Minutes. Mr. Beattie stated that he had spoken with Mr. Greenberg's counsel several times previously and encouraged him to make any substantive proposal he had, but that it had to be made immediately.

Mr. Sutton said he essentially reached the same conclusion that Mr. Offit had reached regarding the Government Facility: The risks of bankruptcy are simply too high and there is too great a likelihood that the value of AIG would drop very quickly, hurting all the constituencies about whom the Board must be concerned.

Mr. Willumstad then asked that all of the directors individually express their views.

Each of the directors then expressed his or her views regarding the alternatives available to the Corporation at this time. The view expressed by the directors, other than Mr. Bollenbach, was that despite the unfavorable terms of the Government Facility, the Government Facility was the better alternative to bankruptcy for the Corporation.

There was then further discussion of the terms of the proposed transaction, including the 80 percent equity interest, and the types of changes to the terms that could be discussed with the Federal Reserve and Treasury officials, including flexibility if a better transaction for AIG became available. The Board as a whole instructed its advisors to go back to the government to negotiate for better terms. Mr. Willumstad, Mr. Beattie, Mr. Cohen and Mr. Wiseman left the room to call Mr. Timothy Geithner, Chairman of the Federal Reserve Bank of New York.

Approximately 10 minutes later Mr. Willumstad, Mr. Beattie, Mr. Cohen and Mr. Wiseman returned after speaking with Mr. Geithner and the General Counsel of the Federal Reserve Bank of New York. Mr. Beattie stated that the government had refused to reduce the percentage of equity to be provided to the government and was not willing to negotiate the interest rate of the loan or other significant terms. The government also refused to include in the agreement a period during which AIG could unwind the transaction if private financing were found. However, Mr. Geithner stated that if private financing sources sufficient to pay off the Government Facility were found and if the plan presented by the private financing sources were sufficient to ensure AIG's continued viability, then the government would be happy to have the private market take over the funding role from the Federal Reserve. It was also reported that the government reiterated that AIG needed to act by 8:00 p.m. so that money could be moved that evening to avoid defaults in the marketplace on Wednesday.

Counsel then explained to the Board that the first approval needed was to authorize AIG to enter into a secured demand note, which would permit AIG to immediately obtain liquidity from the Federal Reserve Bank of New York. It was explained that the note would initially be for $14 billion and additional notes would be issued to the extent AIG needed additional liquidity prior to the execution of the final loan agreement. Counsel also explained that the demand note would be secured by a pledge of the stock of certain subsidiaries of AIG.

The Board discussed at length the mechanics of how the equity portion of the offering would work. Counsel explained that if the equity interest took the form of warrants, then a shareholder vote would be necessary to authorize additional shares of common stock sufficient to meet the requirements of the warrant. The Board asked how long such a vote would take and if, during the period prior to the vote, it would be possible for another proposal to be made that could replace the Government Facility on terms more favorable to AIG. Counsel explained that the shareholder vote would take approximately 60 days. If a competing proposal were to surface prior to that time, the party making the proposal would have to negotiate with the government regarding the equity interests, because the Federal Reserve Bank of New York would at that point already hold security interests in significant AIG assets due to the need to borrow immediately under the demand notes to prevent seizure of the insurance companies and involuntary bankruptcy. Based on the comments made by the Chairman of the Federal Reserve Bank of New York to Mr. Willumstad and others (described above), the advisors agreed that it was likely that the government would be very willing to entertain such a proposal.

The following resolutions were moved at the meeting:

> RESOLVED, that the Corporation be, and hereby is, authorized to enter into a transaction with the Federal Reserve Bank of New York (the "Lender") to provide a revolving credit facility of up to $85 billion on terms consistent with those described at this meeting, including equity participation equivalent to 79.9 percent of the common stock of the Corporation on a fully-diluted basis (the "Credit Facility");
>
> RESOLVED, that each of the Chief Executive Officer, any Executive Vice President, any Senior Vice President, the Secretary and the Treasurer (the "Authorized Officers"), and any person or persons appointed by any Authorized Officer in writing be, and each of them hereby is, authorized in the name of and on behalf of the Corporation to execute and deliver all documents, contracts and instruments evidencing or representing the Credit Facility and any arrangements related thereto, including, without limitation, credit agreements, loan agreements, pledge and collateral security agreements, and other arrangements with the Lender, in each case as any such Authorized Officer or other person may determine; that each Authorized Officer be, and any person or persons appointed by any Authorized Officer in writing be, and each of them hereby is, authorized to prepare, execute and deliver in the name of and on behalf of the Corporation and under its corporate seal or otherwise, any and all designations, applications, certificates and other documents or other instruments to effect such Credit Facility, in each case, in such form and on such terms and conditions

as any Authorized Officer or other person may determine to be necessary, desirable, or appropriate, such necessity, desirability or appropriateness to be conclusively evidenced by the Authorized Officer's or other person's execution thereof;

RESOLVED, that each of the Authorized Officers be, and hereby is, authorized to enter into a $14 billion demand note with the Lender, secured by a pledge of shares of stock or membership, partnership or other equity interests of those subsidiaries of the Corporation that any Authorized Officer determines are appropriate to pledge and grant a security interest in, and to enter into such additional demand notes and to pledge and grant a security interest with respect to such additional assets of the Corporation as any Authorized Officer determines is necessary or appropriate to meet the liquidity needs of the Corporation prior to the execution of definitive documentation of the Credit Facility.

All directors approved the resolutions other than Mr. Bollenbach, who voted against.

There being no further business to come before the meeting, upon motion duly made, seconded and unanimously carried, the meeting was adjourned.

Kathleen E. Shannon

Kathleen E. Shannon
Secretary

James G. Gamble
Secretary of the Meeting

Chairman of the Board

Confidential

AIG

Discussion Materials

September 16, 2008

The Blackstone Group®

EXHIBIT A

AIG

Disclaimer

This presentation (the "Presentation") has been prepared by Blackstone Advisory Services L.P. ("Blackstone") solely for use by the Board of Directors of the Company (the "Board") by using certain information provided by both American International Group, Inc. (the "Company") and its representatives, as well as publicly available information (collectively, the "Sources"). Blackstone makes no representation or warranty, express or implied, as to the accuracy or completeness of the information obtained from the Sources, and nothing contained herein is, or shall be relied on as a promise or representation, whether as to the past or the future. Blackstone has not independently verified information obtained from the Sources.

This Presentation includes certain statements, estimates, and projections prepared and provided by the Sources to Blackstone with respect to, among other things, the historical and anticipated operating performance of the Company. Such statements, estimates, and projections reflect various assumptions by the Sources or Blackstone concerning anticipated results that are inherently subject to significant economic, competitive, and other uncertainties and contingencies and have been included solely for illustrative purposes. No representations, express or implied, are made as to the accuracy or completeness of such statements, estimates, or projections or with respect to any other materials herein. Actual results may vary materially from the estimates and projected results contained herein.

By accepting the Presentation, each recipient agrees that Blackstone shall have no liability on any basis (including, without limitation, in contract, tort, under United States or other countries' federal or state securities laws or otherwise) for any representations, express or implied, contained in, or for any omissions from, this Presentation or any other written or oral communications transmitted to the recipient by or on behalf of the Company or Blackstone in the course of the recipient's evaluation of the Presentation. The information contained herein has been prepared to assist the Board in making their own evaluation and does not purport to be all-inclusive or to contain all of the information that may be material.

The information and data contained herein are confidential and may not be divulged to any person or entity or reproduced, disseminated, or disclosed, in whole or in part, except to the Company's Board, officers, directors, employees, attorneys, and agents for sole use in connection with the evaluation contained herein, as required by applicable law or legal process, or with the prior written consent of Blackstone. Blackstone may not be otherwise publicly referred to without its prior written consent.

Blackstone has relied on information provided by the Sources. Any conclusions drawn from this Presentation and all analyses performed herein are based entirely on information provided to Blackstone, including certain information that the Sources explicitly qualify and disclaim the accuracy of and reliance upon. Blackstone makes no representation as to the reasonableness of any such information. Furthermore, the information and analyses contained herein may be incomplete and could be modified, perhaps materially, based on additional information and analyses. Such additional information and analyses may be necessary for the formation of definitive conclusions.

Blackstone wishes to bring to the attention of the Board certain relationships which the Company has with various affiliates of The Blackstone Group L.P., including without limitation the following: (i) Blackstone has advised the Company on potential strategic alternatives regarding its International Lease Finance Corporation and potential divestiture alternatives for AIG Financial Products Corp.; (ii) the Company owns 45,737,235 common units of The Blackstone Group L.P., representing 4.1% of total units outstanding as of September 15, 2008; and (iii) the Company is a limited partner in various funds managed by affiliates of The Blackstone Group L.P.

AIG

Introduction

Blackstone Advisory Services L.P. ("Blackstone") has been engaged as a financial advisor to American International Group, Inc. ("AIG" or the "Company").

- On Saturday, September 13, 2008, the Company asked Blackstone to assist the Company's management to evaluate potential capital raising alternatives

- On Monday, September 15, following the change of JP Morgan's role from advising the Company to leading a potential financing and control transaction for AIG, the Company engaged Blackstone as a financial advisor to AIG with respect to strategic alternatives

The Blackstone team serving AIG includes five senior professionals:

- John Studzinski, Senior Managing Director, Global Head of Corporate Advisory Services
- Arthur Newman, Senior Managing Director, Global Co-Head of Restructuring Advisory Services
- Martin Alderson Smith, Senior Managing Director
- Larry Nath, Senior Managing Director
- Tom Stoddard, Senior Managing Director

- The Company had previously engaged Blackstone in late August to assess strategic alternatives for AIG Financial Products Corp.

Current Market Environment

The Company's situation has been affected by almost unprecedented dislocation and uncertainty across global financial markets.

Significant events in the last ten days have adversely impacted global financial markets

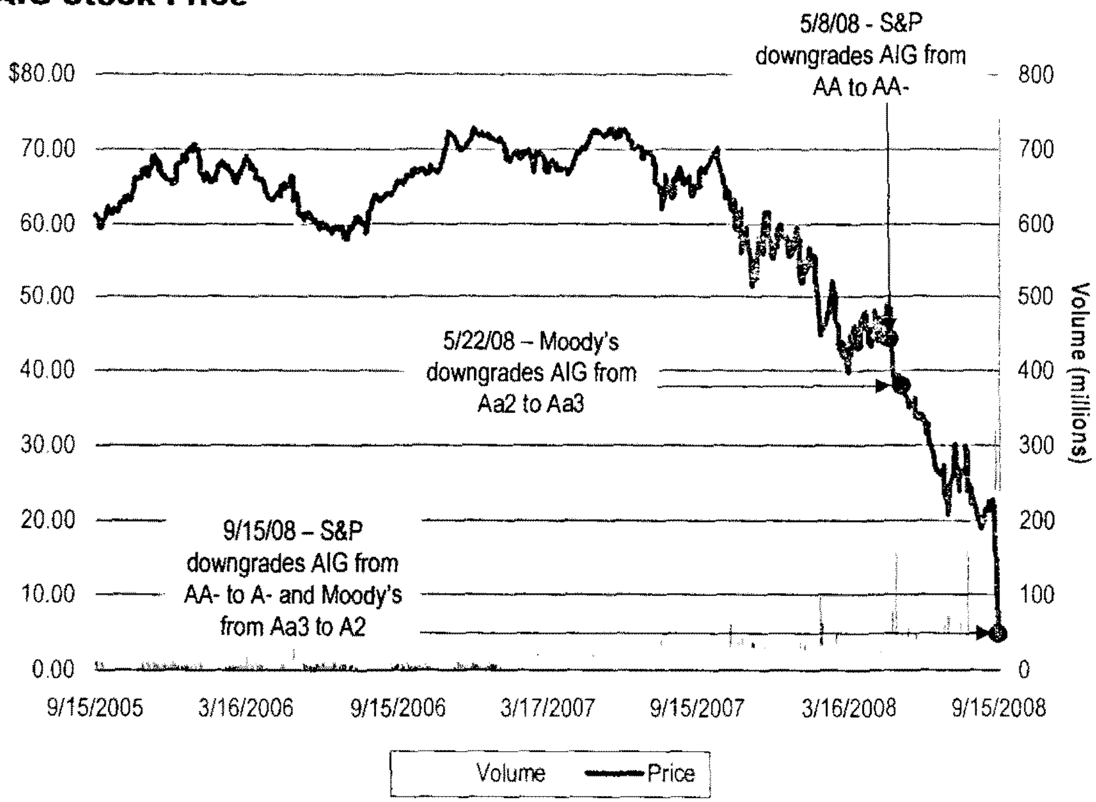
- Fannie Mae and Freddie Mac were placed into conservatorship with the U.S. Treasury on September 7
- Several large financial institutions have been affected by capital and liquidity concerns
  - Lehman Brothers filed for bankruptcy on September 15
  - Merrill Lynch sought a stronger financial partner, and entered into an agreement to be sold to Bank of America on September 15
  - Washington Mutual, Wachovia and other financial institutions have faced increasing pressures
- As a result of these events, global financial markets experienced significant declines
  - On September 15, the S&P 500 posted its largest one-day decline since the aftermath of September 11, 2001
  - On September 15, the Federal Reserve completed its largest single-day liquidity injection since the aftermath of September 11, 2001
  - Dow Jones Financials Index has decreased 16% since September 8

AIG

AIG Stock Price Performance

AIG's share price has declined 93% over the last twelve months.

AIG Stock Price



Valuation Summary [1]

($ in millions)

[redacted]

Share Price as of 9/15/08:		$4.76
Shares Outstanding[1]		2,689
Equity Market Capitalization		$12,799
Current Price /	Metric	Multiple
2008E Earnings [2]	($0.45)	NM
2009E Earnings [2]	$4.67	1.0x
6/30/08 Book Value	$78,088	0.16x
Current Price as % of:		
1-Week Average ($14.06)		33.8%
1-Month Average ($19.36)		24.6%
52-Week High ($70.11 - 10/9/07)		6.8%

Source: CapitalIQ and Bloomberg.
(1) Based on public information.
(2) Earnings estimates per Reuters consensus estimates.

AIG

JP Morgan / Goldman Sachs Business Line Value Estimates

On September 15, JP Morgan / Goldman Sachs presented the following business line value estimates as part of their evaluation of a potential financing and control transaction for AIG.

($ in billions)

Valuation Estimates	JPM / GS Estimated Value Low	JPM / GS Estimated Value High	AIG Management Estimates	3/31/2008 Book Value[2]
P&C				
Domestic	$24	$32	$33	$24
Personal Lines	5	5	4	4
Transatlantic	2	2	2	2
Mortgage Guarantee	0	0	0	2
Foreign	13	16	14	13
Total P&C	$44	$55	$53	$45
Life				
Asia Ex-Japan	$18	$20	$35	$17
Japan	18	20	18	17
Domestic Life	9	11	9	11
Retirement	14	16	16	10
Total Life and Retirement	$59	$67	$78	$55
Asset Management	$1	$1	$2	$4
Financial Services				
ILFC[1]	$0	$0	$7	$7
FP	0	0	0	(13)
Consumer Finance	2	2	2	5
Overhead	(3)	(3)	0	0
Total Other	($2)	($1)	$9	($1)
Pre Tax Valuation	**$102**	**$122**	**$142**	**$103**
Less: HoldCo Debt	(34)	(34)	0	0
Less: Eliminations / HoldCo Debt	0	0	(34)	(23)
Total	**$68**	**$88**	**$108**	**$80**

(1) Blackstone analysis presented to AIG on April 15, 2008 included a pre-tax range of $8 - $12 billion but current conditions would adversely affect this estimate.

(2) Source: AIG management

Confidential

The Blackstone Group

Partial WP/AC Document; Privileged Material Highlighted

Produced Pursuant to the Court's Federal Rule of Evidence 502(d) Order
CONFIDENTIAL

WP-AC Document 0000064-A

AIG

JP Morgan / Goldman Sachs Assessment of AIG Liquidity Position

On September 15, JP Morgan / Goldman Sachs presented an assessment of AIG's liquidity position as part of their evaluation of a potential financing and control transaction for AIG. Management has indicated to Blackstone that without new sources of funding, it will not have sufficient liquidity to meet obligations on Wednesday, September 17, 2008. In addition, AIG management has stated that certain of these estimates appear to be based on conservative assumptions.

($ in billions)

Estimated Consolidated Liquidity Needs	JPM / GS Estimate
Securities Lending	$13
Annuity (Potential Draws from Surrenders)	7
Total Insurance	$20
Commercial Paper Maturities	$12
Guaranteed Investment Contracts	4
Additional MTM on CDS Portfolio	24
Collateral Posting upon Downgrade to BBB	25
Non CP Debt Maturities Through Year End	8
Total Financial Services	$73
Total Liquidity Need	$93

EXHIBIT B

C.V. STARR & CO., INC.
399 PARK AVENUE
NEW YORK, NY 10022

MAURICE R. GREENBERG
CHAIRMAN AND
CHIEF EXECUTIVE OFFICER

September 15, 2008

Mr. Robert Willumstad
Chairman and CEO
American International Group, Inc.
70 Pine Street
New York, NY 10270

Dear Bob:

As you know, over the last several weeks we have tried to reconcile the differences between AIG, myself, my colleagues, SICO and C.V. Starr & Co., and I have offered to assist in any way possible to help AIG addresses its severe liquidity issues. Unfortunately, for whatever reason, you have not seen fit to take me up on my offer.

Independently, as the largest shareholder, both corporate and individual, we would like to know what plans exist to keep the company solvent and preserve shareholder interests. Since time is obviously of the essence given the deadline of the rating agencies, I would appreciate your prompt response.

Sincerely,

Hank

MRG/mb

cc: AIG Board of Directors

C.V. STARR & CO., INC.
399 PARK AVENUE
NEW YORK, NY 10022

EXHIBIT C

September 16, 2008

MAURICE R. GREENBERG
CHAIRMAN AND
CHIEF EXECUTIVE OFFICER

Mr. Robert B. Willumstad
Chairman and CEO
American International Group, Inc.
70 Pine Street
New York, NY 10270
VIA FAX 212-770-5703

Dear Bob:

We have been discussing for several weeks my offer to assist the company, in any way that you and the Board desired. Throughout those discussions, you have told me and David Boies that you believed that my assistance was important to the company. The only concern that you have expressed to me is the fear that if I were to become an advisor to the company that I would "overshadow" you. I respectfully suggest to you, and to the Board, that the continuing refusal to work together to save this great company is far more important than any concern over personal positions or perceptions. I am, of course, frustrated that the agreement in principle we reached to settle our differences has now been taken off the table by the company's counsel. However, whether or not we settle our differences, I remain ready to work with you to do everything possible.

In a little over a year, I, and other shareholders, have watched the company that I helped build over 35 years into the largest and most successful insurance company in history and one of the strongest and one of the most profitable financial companies in the world lose over 90% of its value. Despite repeated assurances from management and the company that everything was under control, it is now clear that nothing was under control. Over the last two weeks as the threats to the company increased, I have made repeated requests to meet with you and to meet with the Board to offer my suggestions and help. Those requests have been ignored. I was told last Friday that I could meet with the company's investment banker, but despite our expressed willingness to meet any time, any where, even that meeting has not yet been scheduled.

I do not know whether or not it is now too late to save AIG. However, we owe it to AIG's shareholders, creditors and our country to try. I remain ready to offer any assistance that I can and to meet with you and the Board at any time. I ask nothing from you or the Board except the opportunity to help.

Since you became Chairman of AIG, you and the Board have presided over the virtual destruction of shareholder value built up over 35 years. It is not my intention to try to point fingers or be critical. My only point is that under the circumstances, I am truly bewildered at the unwillingness of you and the Board to accept my help.

Sincerely,

Hank

MRG/mb

cc: AIG Board of Directors